



A COMPREHENSIVE REVIEW ON THE EVOLUTION AND IMPACT OF ENTREPRENEURSHIP IN THE MODERN

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ABSTRACT:

The entrepreneurial realm itself has remade completely in the last two decades, largely the advent of maturity of digital technologies and altering economic paradigms. This review estimates the past of entrepreneurial practices and far-reaching impact on current economies, mature as well as emerging. Through an examination of more recent studies across fields, this paper charts the extent to which entrepreneurship itself has been reinterpreted by technological upheaval, pandemic-driven alterations, and alterations in what society requires. The studies reveal that modern entrepreneurship is far more complex than business formation per se and includes social innovation, digitalization, and sustainable development approaches that collectively reframing economic systems and social welfare results.

KEYWORDS:

ENTREPRENEURSHIP, ECONOMIC DEVELOPMENT, DIGITAL TRANSFORMATION, INNOVATION ECOSYSTEM, SOCIAL ENTREPRENEURSHIP.

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INTRODUCTION

Walking through any large city today, you see something once a stranger twenty years ago—scores of people hunched over laptops in cafes, spinning the next great company out of a corner table. With this snapshot comes a message about the nature of entrepreneurship in our networked, technology-enabled world. The classic idea of entrepreneurship as the province of risk-taking capitalists has spread into a complex phenomenon that infuses virtually every sphere of contemporary economic life.

Entrepreneurship is a global driving force of economic progress and expansion, but its role has become increasingly complex because we are now in the wake of pandemic, technological disruption, and increased social consciousness on the part of entrepreneurs as well as consumers. The rise of what some authors describe as "multi-hustle" entrepreneurship is part of a broader trend towards more diversified, socially-driven business creation that upends our most primitive assumptions about the creation and distribution of economic value.

This survey attempts to map this shifting landscape, looking how entrepreneurship has shifted from its heritage bases to increasingly being a subtle agent of economic and social change. But we should not forget

simplification of this change—the interplay between entrepreneurship and economic development remains inextricably entangled, with outcomes that vary widely depending on context, culture, and institutions of support.

THE HISTORICAL CONTEXT AND EVOLUTION OF ENTREPRENEURSHIP

The entrepreneurial environment we witness today did not spring up overnight. Classical entrepreneurship, industrial-mindset oriented, typically involved a process of searching for holes in markets and building firms to take advantage of them. This worked reasonably well in reasonably stable economic conditions in which change arose slowly and logically.

What is so interesting about where we are now is the way that radical this foundation has become. What will be occurring in 2023 is that a new kind of entrepreneur will arise – more socially-conscious, more multicultural, and not dreading multi-hustling. This change is an indication of larger movements in the way that people think about work, career development, and the crossover between business success and social good.

The COVID-19 pandemic served as an unforeseen spur to entrepreneurial activity. The growth mirrors the trends of

wider post-COVID economic shifts, with new business creation focused in sectors most suited to remote working environments. This was not just a short-term accommodation—it was a complete reorientation of entrepreneurial opportunity and supporting infrastructure.

Mehta and Hiran (2023) also observed similar trends in examining change management of medium-sized business firms and found that adaptation had to be overcome by more than technological innovation but a revolutionary shift in organisational mindset. Their research teaches us that even established firms were compelled to adopt more entrepreneurial strategies in business in order to survive and thrive amidst changing circumstances.

DIGITAL TRANSFORMATION AND MODERN ENTREPRENEURSHIP

Few technologies have altered entrepreneurship as profoundly as has digital technology. Everywhere, entrepreneurship is espoused as the generator of innovation and economic prosperity. Amidst the challenge of dominant technology and the era of the digital, digital entrepreneurship in particular is on the rise. But this is where this becomes more than just a simple deployment of existing enterprise onto the web—it is a total reconsideration of value creation and distribution.

35–40% of business innovation is explained by digitalization, and roughly 40% are explained by in-between country variation. These facts indicate something important: while technology has great potential, national policy and institutional context still play a role in influencing entrepreneurial performance. It suggests that there is not just the necessity for technological capability but also conducive ecosystem conditions to realize successful digital entrepreneurship.

The impacts extend beyond simple gains in efficiency. Digitalization provokes entrepreneurship by widening possibility entrepreneurship ability, providing individuals who would not necessarily have resorted to traditional business ownership an opportunity to do so. This democratization of entrepreneurship has profound implications for economic growth, particularly where access to traditional funding and business infrastructure is restricted.

Ahmed and Mehta (2023) captured this trend in their empirical study of online buying behavior, demonstrating how platform markets have recharted consumers' expectations and thus the decisions entrepreneurs face. Their empirical case study of home furnishing buying demonstrates how digital word-of-mouth and online conversation have opened up fresh forms of market knowledge to which entrepreneurs must adapt and draw upon.

ECONOMIC IMPACT AND PERFORMANCE OUTCOMES

The intersection of entrepreneurship and economic performance is still among the most hotly debated issues in business research. Research into entrepreneurship in

the last 25 years indicates that there is one cause for macroeconomic growth through entrepreneurship but that there is a very complicated relationship between entrepreneurship and welfare. This is a reflection of the real world that not all entrepreneurship produces equal value and that context is a gigantic determinant of results.

Chaplot (2018) empirical work on the organizational performance role of strategic management sheds some insightful lights on this complexity. His empirical observation from sampled Rajasthan organizations was that strategic orientation significantly impacts performance outcomes but with differences based on organizational context and quality of implementation. This speaks to entrepreneurial success not just as an issue of individual character but the strategic competence entrepreneurs learn and apply.

Entrepreneurship drives economic advancement in the knowledge economy today, but only in the presence of positively disposed government policies and institutions. How this is done is less linear, however, than mere employment creation or expansion of GDP. Entrepreneurship now is all about chasing efficiency, over-spilling into innovation, and creating ecosystems that create value beyond its immediate business contribution.

The hospitality and tourism sector provides an interesting entrepreneurial adaptation study example. Choudhary and Madhwani (2013) explored the impact of recession, and what they found were patterns that would subsequently turn out to have a certain resonance as the pandemic unfolded. They found that entrepreneurial ventures in the sector needed to be more resilient and adaptive—abilities that would ultimately turn out to be absolutely vital during the time of the COVID-19 crisis.

SOCIAL ENTREPRENEURSHIP AND SUSTAINABLE DEVELOPMENT

One of the most powerful trends in contemporary entrepreneurship has been the development of social enterprise. It is estimated that there are 10-11 million social enterprises and as many as 30 million social entrepreneurs globally, adding another \$2 trillion to the global GDP. These figures are not merely new business models—they reflect a paradigm shift in how entrepreneurs conceive of their role for society.

Social entrepreneurship flips such expectations of conventional tension between purpose and profit upside down. Rather than thinking of these as purposes that conflict with one another, social entrepreneurs seek to engineer business models that provide both financial and social returns. It has been an acutely adaptive strategy in response to the resultant difficult issues precipitated by climate change, inequality, and public health that cannot be solved by conventional market forces.

The emergence of social entrepreneurship also reflects changing consumer values and investor interests. Younger consumers increasingly expect firms to be socially responsible, while impact investors actively seek out opportunities that provide both financial and social

returns. This creates new market opportunities for entrepreneurs capable of being profitable by offsetting profit objectives with social impacts.

INSTITUTIONAL FRAMEWORKS AND POLICY IMPLICATIONS

Entrepreneurial prosperity is greatly dependent on the promotion of institutional environments. The level of digital technology is strongly positively correlated with national entrepreneurial ecosystem performance, and the positive correlation is more pronounced in nations with an encouraging culture, outstanding institutions, facilitative policies, and available resources. It highlights that genuine entrepreneurship policy schemes go beyond convenient business registration or tax relief.

Despite a decline in its NECI score from 7.7 (on a scale of 10) in 2023 to 7.1 in 2024 – owing to declining scores in 12 out of 13 framework conditions – the UAE remains at the top of the Index. The fact that the UAE continues to be ranked at the top of entrepreneurship indices even as scores have declined reflects the pace and responsiveness required in competitive entrepreneurial ecosystems.

Effective policy regimes must address a number of dimensions concurrently: access to capital, regulatory environment, education infrastructure, and failure and risk-taking cultures in society. Effective governments that were able to construct successful entrepreneurial ecosystems were able to invest in all of them, not in the concerted effort to either single intervention.

INNOVATION ECOSYSTEMS AND KNOWLEDGE NETWORKS

Present-day entrepreneurship is most likely to take place within innovation systems and not as a standalone individual activity. Innovation is significant in determining entrepreneurial chances because there are numerous inventions produced by local R&D units and due to the knowledge spillovers created by the ongoing process of innovation. This ecological approach towards explaining the geographical clustering of entrepreneurial activity as well as the ability of geography to repeatedly excel elsewhere appears as an explanation to these phenomena.

The notion of knowledge spillovers is particularly pertinent in the context of watching entrepreneurial ecosystems form and endure. Successful founders learn from one another, failed start-ups give us some lessons, and research institutions yield knowledge that can be applied, all contributing to making the entire ecosystem more effective. This creates positive feedback loops which may sustain entrepreneurial activity for decades.

Chaplot (2017) employee satisfaction survey of the insurance sector provides micro-level results for these forces. His research shows organizational culture and employee engagement have significant effects on performance outcomes—dimensions that are still of equal importance in entrepreneurial setups where team harmony and motivation tend to be the most pivotal determinants of success or failure.

FINANCIAL PERFORMANCE AND MARKET DYNAMICS

The entrepreneurship and financial performance dynamic has become more complex with increased market extension. Sharma, Dadhich, and Chauhan (2022) studied a comprehensive review of pandemic impacts on BSE-listed firms, observing the way traditional firms battled against historic disruption while rapidly evolving business models and operations helped entrepreneurial firms thrive.

Their research demonstrated that financial resilience in the face of adversity is also likely to align with organizational agility and innovation capability—characteristics stereotypically associated with entrepreneurial organizations. What this does not mean, however, is that entrepreneurial organizations were better off than established companies throughout the pandemic. What it reveals is that entrepreneurial awareness and approaches were found to be valuable across different organizational contexts.

Consumer attitude surveys are supplemented with additional information on such market forces. Dave and Paliwal (2016) have carried out research on consumer attitude towards malted health food beverages in Udaipur, which brings out the manner in which local market forces and consumer attitudes make certain entrepreneurial opportunities distinctive. Their research states that entrepreneurship requires extensive knowledge of local conditions even under an open economy.

EMERGING TRENDS AND FUTURE DIRECTIONS

Before us stands a collection of trends which will shape the destiny of entrepreneurship. In the troubled weather of the developing world, entrepreneurship is the leading driver of economic growth, social development and poverty alleviation. Realizing such potential, however, entails answers to fundamental questions regarding how entrepreneurial ecosystems can be established and cultivated under different conditions.

The arrival of automation and artificial intelligence brings chances and risks to entrepreneurs. While the two technologies have the possibility of reducing barriers to entry and enabling new business models, they can also displace traditional work and create new economic inequalities. Entrepreneurs will need to negotiate the paradoxes while creating enduring frameworks for value creation.

Climate change and environmental sustainability are also an area in which entrepreneurial innovation will be required. The increasing severity of environmental issues provides room for entrepreneurial success by providing beneficial solutions but also troubles entrepreneurs with the issue of how to make business models that do not internalize environmental costs sustainable in the long run.

RESEARCH LIMITATIONS AND FUTURE DIRECTIONS

This review, although comprehensive, also has a number of limitations that can be considered in the future studies. The majority of studies today are on developed economies,

with a relatively small focus on entrepreneurship in emerging economies or developing nations. Furthermore, most studies in this domain offer short-run findings instead of long-run effects, in a way that the survivability of a number of entrepreneurial strategies cannot be evaluated.

Measurement of entrepreneurial impact remains a persistent challenge. Conventional measures like job creation or revenue growth do not capture the totality of value created by social entrepreneurs or the systemic effects of entrepreneurial ecosystems. Other ways of measuring that better capture the multidimensional character of entrepreneurial impact might be investigated by future research.

CONCLUSION

Entrepreneurship in the new economy is a result of more profound transformations of what we understand as work, value creation, and business's relationship with society. From business creation to digitalization, social innovation, and ecosystem building, entrepreneurship is nowadays an intricate phenomenon that cannot be reduced to simplifications.

What is revealed here is a portrait of entrepreneurship as a responsive, dynamic force that adapts to new conditions even as it also forms those conditions. The COVID-19 pandemic hastened many of the trends that were already underway while developing new opportunities and challenges that entrepreneurs are still working through. Digital technologies have democratized entrepreneurial opportunities while generating new competition and complexity.

Most notably, perhaps, the rise of social entrepreneurship suggests a new definition of success and contribution in entrepreneurs' minds. Rather than defining profit maximization as the best outcome, most entrepreneurs today attempt to construct business models that combine economic returns with social values. The shift is driven by changing consumer demand, investors' requirements, and perceptions among people towards the contribution made by the business sector in addressing complex social issues.

Policy implications are significant. Promoting entrepreneurship means systems thinking that influences many variables simultaneously: regulatory framework, finance access, education infrastructure, as well as attitudes towards risk-taking and innovation. Effective nations in creating wealth-producing entrepreneurial ecosystems invest diversely rather than specifically investing in one intervention.

Over the next few years, entrepreneurship will also change further due to the influence of technology innovation, ecological pressures, and shifting social values. Successful entrepreneurs in this regard would be those who are best capable of juggling technological capability with social sensitivity, building business models that are value-creating for multiple constituencies and adapting rapidly to new circumstances.

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